

RESTORE THE BILATERAL RELATIONSHIP BETWEEN CHINA AND UNITED STATES

by  
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## Abstract

The dwindling relationship between China and the US is a massive cause of concern, considering that there has been tension between Beijing and Washington for years. With each country claiming the right to control the region, there is a need to address the diplomatic matter before more escalation. The cold war between the two nations poses enormous risks to both countries' economies and needs to be addressed without hesitation. The policy proposal is for China to allow the US to investigate the accused Chinese firms for espionage to lift the currently imposed 25% tariffs on Chinese steel export. Both compromise and collaboration would be needed by the policymakers from the United States and China. Finally, China's policy proposal to allow the US to conduct an espionage investigation into the accused Chinese organization's firm would provide an opportunity for the establishment of trust between the two first world countries.

**Capstone Advisors:** Paul Weinstein, Jr.

**Key Words:** Trade, Espionage, China South Sea, Tariff

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MEMORANDUM FOR: President Of People's Republic Of China, Jingpin Xi

DATE: 2020-09-10

FROM: You Wu

SUBJECT: Restore The Bilateral relationship Between China and United States.

### **Action Forcing Event**

In august 27th, United States Department of Defense has confirmed that China launched four ballistic missiles over China south sea.<sup>1</sup> The Department of Defense has made announcement indicated that the recent action that China took including missile launched during military exercise have violated promise made in Declaration on the Conduct of Parties in the South China Sea. With the escalation of current situation, the world is afraid that there will be new cold war between China and United Sates.

### **Statement Of The Problem**

The dwindling relationship between China and US is a huge cause of concern, considering that there has been tension between Beijing and Washington for some time. China South Sea is a major source of tension between the two countries due to conflicting claims and positions taken by respective governments. China has claimed control over the entire sea, but the US has opposed the claims terming them illegal under international law <sup>2</sup>. Chinas claims are opposed by more than five countries, making its actions internationally unacceptable. The two countries have not had good relations for a long time and thing seems to be getting worse. Before the outbreak of

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<sup>1</sup> AL Jazerra. China fires "aircraft-carrier killer" missile in warning to US. AL Jazerra, 2020.

<sup>2</sup> Lendon Brad. *China test fires so-called 'carrier killer' missiles into South China Sea*. CNN, 2020.

the coronavirus pandemic, China and the United States were engaged in a trade war that saw the use of retaliatory tariffs against each other. This situation was considered negative for the two largest economies in the world and their companies. The tussle of Huawei also fanned conflict between the two countries leading to the denial of Google products on Huawei devices. The United States has consistently accused China of espionage in its military targets, a claim that China refutes.

The outbreak of coronavirus marked a new low in the relationship between US and China, after accusations by the Trump Administration that China refused to divulge information about the outbreak to western countries. The Trump administration has maintained that the virus was deliberately created in China and spread to western countries. The US has maintained that China knew about the virus earlier on but refused to inform the world. The decision by the Trump Administration to pull the US out of the world health organization (WHO) was informed by accusations that China used the WHO to conceal crucial information about the pandemic. China's decisions to introduce new laws in Hong Kong did not go down well with the United States and other western powers which interpreted the move as a strategic ploy by China to abandon previous commitments about the autonomy of Hong Kong. The use of force by China in Hong Kong worsened the relations with US and other western countries. The latest tussle that indicates the worsening relationship between the two countries is China's decisions to launch four ballistic missiles over China south sea <sup>3</sup>. It is unlikely that the two countries will ease tensions unless specific and deliberate measures are taken by China to build

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<sup>3</sup> AL Jazeera. *US says China's South China Sea missile launches threat to peace*. AL Jazeera, 2020.

rapport with the United States. The onus of rebuilding these relations lies with China because the US and its western allies have several accusations against it that China must come clean. The tensions between China and US are significant because it involves the two largest economies and geopolitical powers. The US and China control much of the world's economy and have immense political influence in the world.

### **The Evidence that the Problem is Real and Serious**

According to Babb<sup>4</sup>, China launched missiles into the disputed waters of the South China Sea, leading to the escalation of tensions pitting the U.S. and China. This action comes in the midst of US sanctions intending to punish organizations that facilitated the sustained militarization of the region. The United States maintains that the launch of missiles into South China Sea by Chinese authorities is a threat to peace<sup>5</sup>. According to Pentagon, military exercises and the use of missiles in the disputed sea disrupt 2002 Code of Conduct hence destabilizing the region. China's actions contravene international agreement, thus creating avenues of global conflict. A disputed region should not attract any military exercises since it escalates the conflict by harboring retaliatory action.

According to Lendon<sup>6</sup>, the launch of missiles into South China Sea has escalated tensions between the US and China regarding the disputed waterway. The author describes the South China Sea as a major point of conflict between the US and China as the US considers Beijing's claims over the sea as illegal under international law. The

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<sup>4</sup> Babb Carla. *China Launches 4 Missiles into South China Sea*. VOA News, 2020.

<sup>5</sup> AL Jazeera. *US says China's South China Sea missile launches threat to peace*. AL Jazeera, 2020.

<sup>6</sup> Lendon Brad. *China test fires so-called 'carrier killer' missiles into South China Sea*. CNN, 2020.

author also describes how china's claims over the South Sea has been contested by a minimum of five countries that have officially launched complaints about control over the sea. China has declared control over the entire sea and resourceful waters against international law and the wishes of many countries. The launch of missiles comes at a time when the US is concerned about the continued militarization of the region.

### **The Scope of the Problem**

The worsening relations between the US and China is a huge threat to world peace since it could escalate into a cold war between China and the United States .<sup>7</sup> A lot is at stake since China and the US control the world's economy and world immense political power. Any conflict or tensions between the two countries could jeopardize the world. For instance, China's actions in the south sea are not acceptable to the United States and the US has resorted to punishing companies that have helped China militarize the region. Sanctions against Chinese companies will further undermine the relationship between the two countries .<sup>8</sup> Already the trade wars have created animosity among the two countries and their allies. A new cold war could emerge with the two countries engaging in a full-blown diplomatic tussle.

### **The Material Consequences of the Deteriorating Sino-U.S Relationship**

The deteriorating Sino-U.S relationship will lead to damage to the American economy. For instance, US tariff threats on China in 2018 led to a GDP reduction of

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<sup>7</sup> AL Jazeera. *US says China's South China Sea missile launches threat to peace*. AL Jazeera, 2020.

<sup>8</sup> Lendon Brad. *China test fires so-called 'carrier killer' missiles into South China Sea*. CNN, 2020.

0.05%, culminating in an economic slowdown of 0.25% in 2020.<sup>9</sup> This indicates a direct economic loss for the United States from the growing hostility between the US and China.

According to Lee<sup>10</sup>, the deteriorating US-Sino relations will hurt the economies of both countries since they depend on each other. For instance, the US has threatened to implement 25% tariffs on Chinese exports worth \$34 billion, while China has threatened to retaliate by targeting US exports valued at \$34 billion at the same rate. This indicates that worsening relations cannot benefit any of the two countries.

The ongoing trade war based on tariffs between the US and China will lead to job losses in the United States hence affecting the US economy. For instance, Trump's threat to impose a 25% tariff on imported goods will lead to job losses of 624,000 within a period of three years due to retaliation.<sup>11</sup> The deteriorating relationship between China and the US will result in a reduction of China's foreign direct investment in the United States, which will have a negative effect on the US economy. In 2017, China's direct investments in the United States reduced by 90% due to the falling relations between the two countries. During the first half of 2017, Chinese firms made investments and acquisitions worth \$1.7 billion, and this was a significant reduction

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<sup>9</sup> Bryan Bob. There's a glaring problem with Trump's trade war that could drag out the fight indefinitely. *Business Insider*, Jul 16, 2018. Retrieved from <https://www.businessinsider.com/trump-tariff-trade-war-with-china-canada-eu-mexico-no-end-2018-7?IR=T>

<sup>10</sup> Lee Don. Trump says trade wars are easy to win. But a trade war with China is different. *Los Angeles Times*, June 25, 2018. Retrieved from <https://www.latimes.com/world/asia/la-fg-china-trade-fight-20180625-story.html>

<sup>11</sup> Samuelson Robert. U.S. losing the trade war. *The Japan Times*, Jun 25, 2018. Retrieved from <https://www.japantimes.co.jp/opinion/2018/06/25/commentary/world-commentary/u-s-losing-trade-war/#.WzFtGCAnZPY/>



compared to the previous year .<sup>12</sup> This implies that the ongoing rift between the US and China will affect the US economy.

### **History/Background**

China's recent assertive and expansionist foreign policy has not gone unnoticeable by its neighbors and foreign nations who deem it unacceptable. Failure by the Asian powerhouse to acknowledge undivided responsibility and sovereignty by other countries that share the South China Sea has contributed to international tensions and disputes about the water body. Following the adoption of the UN Convention on the law of the sea in 1980, governments started laying claim on maritime resources culminating into claims for Spratly and Paracel islands .<sup>13</sup> The ensuing events led to militarization in the sea as nations sought to extend control over maritime resource zones. Austin <sup>14</sup> claims that the struggle to reclaim part of the 48 small islands began in 2009 when Vietnam sought to occupy islands it had controlled since the 1970s. This prompted China to take the same divisive approach by reclaiming submerged features it had occupied since the 1980s.

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<sup>12</sup> Bloomberg News. China's Investment in the U.S. Is Collapsing as Trade War Flares. *Bloomberg*, June 20, 2018. Retrieved from [https://www.bloomberg.com/news/articles/2018-06-](https://www.bloomberg.com/news/articles/2018-06-20/china-s-investment-in-the-u-s-is-collapsing-as-trade-war-flares)

[20/china-s-investment-in-the-u-s-is-collapsing-as-trade-war-flares](https://www.bloomberg.com/news/articles/2018-06-20/china-s-investment-in-the-u-s-is-collapsing-as-trade-war-flares)

<sup>13</sup> Austin, Greg. "How did the South China Sea dispute begin and where is it headed?" *Scroll*. 2020. <https://scroll.in/article/968918/how-did-the-south-china-sea-dispute-begin-and-where-is-it-headed>

<sup>14</sup>ibid

However, even with the occupations taking place, nations had remained peaceful, each controlling specific zones without military quarrels. The dispute broke out in 2016 when china disregarded the pledge made not to militarize the Sea Islands when reclamations resulted in mid-ocean airfields .<sup>15</sup> The sovereign claims by china are at the forefront of this dispute as it was found that the country controls almost half of the sea-based on the “nine-dash-line” and Law of the Sea Convention in which its line extends 2,000 kilometers from the mainland .<sup>16</sup>The Chinese disregard for international findings and law considering the sea as a “semi-enclosed sea” countries that share its coastline should have shared control and responsibility. China has craved control of the sea for economic and political reasons, which has seen its international relationship dwindle.

According to De Castro ,<sup>17</sup> the dispute flared up in 2009 when China adopted a coercive and assertive posture over its South China Sea neighbors by expanding its naval patrols and military drills. As part of China’s move to dominate the sea, it deployed submarines, surface combatants, and survey ships in foreign territories such as Japan’s exclusive economic zone, reinforcing its undesired approach. The tensions have grown because China has employed demeaning tactics from its status as a superpower to impose control over its small claimant states. Due to the invasion of other states, De

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<sup>15</sup> *ibid*

<sup>16</sup> Austin, Greg. “How did the South China Sea dispute begin and where is it headed?” *Scroll*. 2020. <https://scroll.in/article/968918/how-did-the-south-china-sea-dispute-begin-and-where-is-it-headed>

<sup>17</sup> De Castro, Renato C. “The Challenge of Conflict Resolution in the South China Sea Dispute: Examining the Prospect of a Stable Peace in East Asia.” *International Journal of China Studies*, vol. 7, no. 1, 2016, pp. 23-51. ProQuest, <https://search.proquest.com/docview/1833249326?accountid=45049>.

Castro reports that the Philippines and Vietnam decided to retaliate by running their naval patrols in the South China Sea. Hsiao <sup>18</sup> argued that controversies around boundary delamination, access or resources, and maritime territories have increased in the region. Moreover, the dispute has become an international problem because of China's unfair global tactics, which the moderate US considers vile since it has shared interests in East Asia.

Notwithstanding the law, the South China Sea dispute has become a battle between the US and China because the former assumes an international police strategy to protect smaller states since it has interests with them. Hsiao <sup>19</sup> claims that countries in disputes like China and the US use international and domestic laws to protect their interests, address conflicts, and promote values. This approach can have negative and positive effects by ensuring the legitimacy of decisions taken to secure a competitive position. On the other hand, countries should have legitimate approaches to challenge claims from opponents. China's desire to assume control of the sea zones has made it adopt reckless war insurgent approaches. As a disputed region, both China and its rivaling nations are losing out economically due to insecurity.

The discovery of mineral resources such as oil and the abundance of fish, which supports the fisheries 'industry on either side of the sea, has contributed to the dispute.

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<sup>18</sup> Hsiao, Anne H. "China and the South China Sea "Lawfare." *Issues and Studies*, vol. 52, no. 2, 2016, pp. 1-42. ProQuest, <https://search.proquest.com/docview/1886609457?accountid=45049>, doi:<http://dx.doi.org/10.1142/S1013251116500089>.

<sup>19</sup> Hsiao, Anne H. "China and the South China Sea "Lawfare." *Issues and Studies*, vol. 52, no. 2, 2016, pp. 1-42. ProQuest, <https://search.proquest.com/docview/1886609457?accountid=45049>, doi:<http://dx.doi.org/10.1142/S1013251116500089>.

Hsiao <sup>20</sup> identifies the discovery of oil and gas reserves in Spratly's islands as a potential cause for conflict since China, Taiwan, Vietnam, Indonesia, Philippines, Brunei, and Malaysia are interested in producing oil gas. This explains why China has been quoted for its coercive approach towards South China Sea oil companies since it assumes to control maritime boundaries. The US reaffirmed its position when Michael Pompeo <sup>21</sup> claimed that the Peoples 'Republic of China has no legal jurisprudence to impose unilateral control on the region. Part of these international players 'approaches like the US are because they share economic ties with South Asian nations through trade and production, threatened if the Chinese's entry point is controlled.

The problem surrounding China's claims over the South China Sea entail its desire to control the adjoining airspace and seas around Paracel and Spratly's islands, which other countries share. Holmes <sup>22</sup> claimed that clashes in the sea have hampered bilateral relationships since the Association of Southeast Asian Nations (ASEAN) has always sought to clarify issues between member states. However, China's status as an economic power has made it difficult for other nations to contend with its disregard for international law and policies, making it controversial that outsiders like the US and Australia are coming on board to protect allies. Holmes <sup>23</sup> reports that the squabble for power between China and her neighbors shows the need to comply with international

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<sup>20</sup> *ibid*

<sup>21</sup> Pompeo, Michael R. "US Position on Maritime Claims in the South China Sea." *US Department of State*. 2020. <https://www.state.gov/u-s-position-on-maritime-claims-in-the-south-china-sea/>

<sup>22</sup> Holmes, James R. "The South China Sea Disputes: Past, Present, and Future." *Contemporary Southeast Asia*, vol. 39, no. 2, 2017, pp. 411-413. ProQuest, <https://search.proquest.com/docview/1965026524?accountid=45049>, doi:<http://dx.doi.org/10.1355/cs39-2l>.

<sup>23</sup> *ibid*

law. The impulsive attitude of china that continues to push bilateral boundaries has not been of help to a dispute that threatens to escalate into a second cold war because of the west and east having different expectations. As a result, the insatiable desire for political control and economic growth has made the South China Sea a bed of international disputes.

The military positioning of the Chinese army bases on the disputed islands remains a contention point because international bodies view it as an invasion of other states 'sovereignty. Reports show that the South China Sea's Chinese claim has taken on a different approach in which artificial islands are being built to house military bases .<sup>24</sup> The tension has grown between china and the US because the latter accuses the former of using military power to influence the region's activities. There are also tensions because the sea has fish reserves, which all countries claim to, and changing the status quo offers no respite if international law does not prevail .<sup>25</sup> More claiming that parties are against China have to support international parties, and international law bodies should take precedent before escalating. According to Hsiao ,<sup>26</sup> the various disputes among countries demonstrate the impeditive approach china is applying because other nations are buttressed by imposing regulations, which should not be the case. The sea's naval presence has turned the situation into a diplomatic problem because of

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<sup>24</sup> BBC. "South China Sea dispute: China's pursuit of resources 'unlawful', says US." 2020. <https://www.bbc.com/news/world-us-canada-53397673>

<sup>25</sup> *ibid*

<sup>26</sup> Hsiao, Anne H. "China and the South China Sea "Lawfare." *Issues and Studies*, vol. 52, no. 2, 2016, pp. 1-42. ProQuest, <https://search.proquest.com/docview/1886609457?accountid=45049>, doi:<http://dx.doi.org/10.1142/S1013251116500089>.

allegations each country is making concerning the water zone implies that international law should offer clear limitations to water bodies.

The non-interference attitude of ASEAN within member countries 'affairs is another reason the dispute has escalated to a dire state. Chang <sup>27</sup> reports that creating a code of conduct for the South China Sea helped deal with the tensions arising from disputes between claimants, including China, Brunei, Malaysia, Vietnam, Taiwan, Indonesia, and the Philippines. The narrow perspective with which the declaration was formulated also posed questions to the signatories since they were not required to indicate their compliance. The only positive outcome Chang considers the declaration provided to the disputing faction is that china became susceptible to risking its international standing by violating it if the nation was to engage in any mischief .<sup>28</sup> Over time, changes in the sea's economic environment have changed from each disputing country's perspective, which has only escalated the problem due to the difference in economic expectations.

According to Fang ,<sup>29</sup> the growing desire for resources has increased over the years leading to national sentiments focusing on militarization to enforce law capability. However, there is a wide gap between disputing countries in the South China Sea

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<sup>27</sup> Chang, Felix K. "Uncertain Prospects: South China Sea Code of Conduct Negotiations." *Foreign Policy Research Institute*. 2020. <https://www.fpri.org/article/2020/10/uncertain-prospects-south-china-sea-code-of-conduct-negotiations/>

<sup>28</sup> Chang, Felix K. "Uncertain Prospects: South China Sea Code of Conduct Negotiations." *Foreign Policy Research Institute*. 2020. <https://www.fpri.org/article/2020/10/uncertain-prospects-south-china-sea-code-of-conduct-negotiations/>

<sup>29</sup> Fang, Yang. "The South China Sea Disputes: Whither a Solution?" In: Huang J., Billo A. (eds) *Territorial Disputes in the South China Sea*. 2015, pp. 164-165. Palgrave Macmillan, London. [https://doi.org/10.1057/9781137463685\\_10](https://doi.org/10.1057/9781137463685_10)

because China has the military and economic power to dwarf all the small claimants as the world's second economy. The Chinese seizure of Mischief Reef in 1995 implicated a policy of 'creeping assertiveness' which called into action the military inference of China into other ASEAN nations.<sup>30</sup> For states that hoped to open recourse approaches to address the problem, it was China's foreign policy that many accounts as being disrespectful and had no regard for other states. Hence, the superiority China has used in this dispute has been a point of contention as other claimants seek peaceful resolutions.

The tensions between the South China Sea neighbors have also been out blown because of the destruction of each other's sea properties. For instance, in 2011, tensions between Vietnam and China flared up when cables were cut, causing an incident between the surveillance ships and fishing boats from the Chinese and Vietnamese sides.<sup>31</sup> It is inevitable to disregard that since each nation has a strategy of exploiting marine resources in the sea, tensions will continue because of strategic location. Fang further shows that Vietnam's 'Maritime Strategy to 2020' aimed at increasing the country's share of the coastal and maritime economy to 53% in 2020 from 48% of its GDP in 2005. Following these claims, the Chinese alleged that Vietnam

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<sup>30</sup> Beukel, Erik. "China and the South China Sea: Two Faces of Power in the Rising China's Neighborhood Policy." *DIIS Working Paper*, 2010: 07, pp. 1-26. [https://www.files.ethz.ch/isn/116218/WP2010-07\\_South\\_China\\_Sea\\_web.pdf](https://www.files.ethz.ch/isn/116218/WP2010-07_South_China_Sea_web.pdf)

<sup>31</sup> Fang, Yang. "The South China Sea Disputes: Whither a Solution?" In: Huang J., Billo A. (eds) *Territorial Disputes in the South China Sea*. 2015, pp. 164-165. Palgrave Macmillan, London. [https://doi.org/10.1057/9781137463685\\_10](https://doi.org/10.1057/9781137463685_10)

violated its sovereignty, while its counterpart blamed it for deploying destructive fishing boats against its cables used by energy survey ships.

The South China Sea pits china against its neighbors, and its relationship with the Philippines due to fishing and energy in 2011 and 2012 was not peaceful .<sup>32</sup> It is concerned about territorial control that has caused disputes in the region with claimants alleging poor treatment by china since it has assumed control of the sea, restricting them from the island and marine resources. Consequently, the Scarborough Shoal and Reed Bank struggle angered the Philippines since it sought to start soil exploitation in the Reed Bank. The military standoff between the two countries caused an international stair since it lasted over two months. Li and Zhang <sup>33</sup> claim that proactive measures taken by disputing factions have been to limit the control of china over their affairs and ensure peace. As a result, the attention brought to the issue has called for international organizations to seek a resolution that will end the problem.

The vulnerability of economic trade between the claiming parties and China poses more challenges in addressing the sea's security concerns. Ravindran <sup>34</sup> explores the economic situation countries like Vietnam, and the Philippines are in with China since it is one of the leading trading partners. It is a major concern for disputing countries if a concession is reached that restrictions do not interfere. However, the issue

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<sup>32</sup> *ibid*

<sup>33</sup> Li, Mingjiang, and Zhang, Hongzhou. "Singapore's South China Sea policy: Implications for freedom and safety of navigation." In book: *Securing the Safety of Navigation in East Asia*. 2013, pp. 171-188. DOI: 10.1016/B978-0-85709-489-6.50009-4

<sup>34</sup> Ravindran, Madhu S. "China's Potential for Economic Coercion in the South China Sea Disputes: A Comparative Study of the Philippines and Vietnam, in." *Journal of Current Southeast Asian Affairs*, vol. 31, no. 3, 2012, pp. 105-132. <https://journals.sagepub.com/doi/pdf/10.1177/186810341203100305>



is that China can impose restrictions on its trading partners both in the short and long terms, which is a problem for the region. Li and Zhang <sup>35</sup> report that from Singapore's perspective finding a diplomatic resolution can help address the maritime issues, which should advocate for freedom of navigation. Consequently, this approach is not feasible with the Chinese as they focus on increasing their power and exert control through the sea's militarization.

The outright containment approach China has peddled in the dispute further portrays the significant difference between national interests with its neighbors. China's refusal to consider multilateralism by involving international parties like the USA, Canada, and European Union was seen as its control over bilateral negotiations since it has more power to impose sanctions .<sup>36</sup> In fact, by developing the 1994 ASEAN Regional Forum, the small countries hoped to socialize the issue from a Chinese perspective to reduce confrontations with foreign parties 'help. Although the 'Declaration of Conduct ' was agreed in 2002, member countries like Vietnam and the Philippines wanted a binding document that detailed how China behaved with others .<sup>37</sup> Therefore, disputing countries 'concerns did not consider Chinese policy change as effective as expected since they had other priorities.

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<sup>35</sup> Li, Mingjiang, and Zhang, Hongzhou. "Singapore's South China Sea policy: Implications for freedom and safety of navigation." In book: *Securing the Safety of Navigation in East Asia*. 2013, pp. 171-188. DOI: 10.1016/B978-0-85709-489-6.50009-4

<sup>36</sup> Beukel, Erik. "China and the South China Sea: Two Faces of Power in the Rising China's Neighborhood Policy." *DIIS Working Paper*, 2010: 07, pp. 1-26. [https://www.files.ethz.ch/isn/116218/WP2010-07\\_South\\_China\\_Sea\\_web.pdf](https://www.files.ethz.ch/isn/116218/WP2010-07_South_China_Sea_web.pdf)

<sup>37</sup> *ibid*

Putting an end to the South China Sea proves to be far from over, considering that the declaration ensures security and peace, limiting its interference in sovereignty issues. Li and Zhang <sup>38</sup> reported that ASEAN is expected to regulate how countries behave in the South China Sea, while claimant states have the duty of dealing with their boundary concerns. The call to separate these two issues shows the standoff going in the South China Sea since control over marine resources remains the primary priority of all states. In Beukel's analysis, it is reported that a quarter of international trade goes through the sea, accounting for 65% and 70% of the energy needs of China and Japan, respectively .<sup>39</sup> This makes the sea a lucrative economic route, and having a sole controller makes them a maritime powerhouse. Thus, the sea is home to international trading vessels from outside the region, making it a potential communication point that should remain neutral. While the US and its allies hope to remain neutral due to economic benefits, the Chinese threat remains a contention point. Beukel <sup>40</sup> alleges that disputes erupting into threats to free movement and terrorism can cause havoc. Japan and the US's interests make the South China Sea a proactive region because recent attacks on trading vessels and oil companies have caused international strife from the west and east. Consequently, the involvement of the US has contributed to the

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<sup>38</sup> Li, Mingjiang, and Zhang, Hongzhou. "Singapore's South China Sea policy: Implications for freedom and safety of navigation." In book: *Securing the Safety of Navigation in East Asia*. 2013, pp. 171-188. DOI: 10.1016/B978-0-85709-489-6.50009-4

<sup>39</sup> Beukel, Erik. "China and the South China Sea: Two Faces of Power in the Rising China's Neighborhood Policy." *DIIS Working Paper*, 2010: 07, pp. 1-26. [https://www.files.ethz.ch/isn/116218/WP2010-07\\_South\\_China\\_Sea\\_web.pdf](https://www.files.ethz.ch/isn/116218/WP2010-07_South_China_Sea_web.pdf)

<sup>40</sup> Beukel, Erik. "China and the South China Sea: Two Faces of Power in the Rising China's Neighborhood Policy." *DIIS Working Paper*, 2010: 07, pp. 1-26. [https://www.files.ethz.ch/isn/116218/WP2010-07\\_South\\_China\\_Sea\\_web.pdf](https://www.files.ethz.ch/isn/116218/WP2010-07_South_China_Sea_web.pdf)

escalation of tensions as China battles to limit its involvement and support for claiming states due to the financial and military threat it poses to Chinese foreign policies.

Therefore, the tension within the South China Sea calls for a policy to address boundary and sovereignty issues to ensure prosperity, peace, and security in the region.

### **Policy proposal**

Increased conflict and tension between China and the United States are a concern. China and the United States seem not to be on the same page in regards to trade deals, and security. Based on these experiences, an effective policy proposal is necessary. Based on the nature of the conflict and the position of China as the accused, embracing the 'carrots' strategy would work perfectly to restore good bilateral relationship between US and China. The goal of this proposal is to restore good relationship between the two economies, and reduce the high tariffs imposed on Chinese imports that are hurting Chinese economy.

The policy proposal is for China to allow the US to investigate the accused Chinese firms for espionage in exchange for the lifting of the currently imposed 25% tariffs on Chinese steel exports. As of now, China has been accused of spying on the military and security intelligence of the United States. One of the leading policy proposals would be for China to release documents and information about the companies that have been accused of espionage. The fact that China claims that it is wrongfully accused of espionage is a challenge for the state to allow the US to access some of the data that they need to clear the nation from this accusation. China should

give this offer in exchange for the withdrawal of the tax tariffs that have been imposed on its steel exports to the United States.

China has claimed that it is not guilty of espionage accusations against it. On this ground, it should allow the US to investigate the accused Chinese firms for espionage in exchange for the lifting of the currently imposed 25% tariffs on Chinese steel exports is its commitment to purchase more agriculture products from the US. One of the concerns of Trump's administration has been the surging trade deficit as a result of the high imports from China as compared to the imports that China buys from the US. On this ground, the US would want to punish China through use of the tariffs. China needs to become more flexible in enabling the US access some of the information it needs to clear it off the accusations. This offer should be given in exchange for reduction of the high tariffs that have been imposed on China. It is worth noting that China has largely been on the losing end because it has suffered both from the high tariffs and increased restrictions on Huawei's deal with Google and other American technologies. China should flex its position and consider taking more imports from the United States, but ensure that this is done in exchange for reduction in the tariffs that are charged on its steel and other exports into the United States.

As china develops a policy to address the espionage accusations against it, opening access to details the US wants will be necessary. China should negotiate for the return of the normal operation of their local interests in the US after it has released the documents to the US to show its innocence against accusations of espionage.

Notwithstanding the long conflict that China has with the US and other countries, there

is a need for tensions to be reduced. The proposal would be for China to take a leading role of clearing its name from espionage accusations. Such a proposal would make sense to the United States, which has concerns over peace and stability. The 27th August announcement by the US defense over the ballistic missile that was launched by China in 'China South Sea' reveals the magnitude of the tension. China should consider leading the way in releasing needed information in exchange of its normal operations in the country.

It is worth noting that the current US-China crisis has been fueled by the 'sticks' approach that the two countries have used on each. This proposal makes clear that to resolve the issues at hand, there is a need for both countries to demonstrate goodwill to the restoration of a cordial trade relationship. As of today, China as the accused party needs to embrace this policy in exchange for its economic interests with the United States. China should allow for free access to the needed data by the US to ascertain that it is not culpable to have committed espionage offenses <sup>41</sup>. Besides, this proposal calls on the US to consider adjusting its trade deal with the China by reducing the high tariffs imposed on goods from China.

This policy proposal is best suited in addressing the issues between the two countries by addressing the two top concerns of the two economies. This policy proposal has two main issues that it addresses; the issue of security and that of trade. The main concern of the United States is that of security through the espionage attacks

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<sup>41</sup> Mitta, Rana, 2019. Financial Times, Available at;  
<https://www.ft.com/content/571603da-8233-11e9-a7f0-77d3101896ec>

that the US accused China of. On the other side, this policy proposal addresses the main concern of China over the conflict-trade. China has suffered economically as a result of the high tariffs laid on its products. This policy proposal finds China as the accused party in the US-China conflict to lie low and allow US to access the data that will clear its name in exchange for what it needs.

Notwithstanding other factors, the USA is increasingly concerned about its security challenges Chinese corporations pose to the state. The implementation of this policy proposal to the United States, China will need lead in making effort to clear its name and keep its word. The latter is important in creating trust from the US. It is highly expected that if China is cleared from the accusations, US will address the issues of high tariffs.

## **POLICY ANALYSIS**

### **1.0 Policy Proposal Summary**

The policy proposal offered to address the US-China bilateral conflicts is for China to allow the US to investigate the accused Chinese firms for espionage in exchange for the reversal of the hiked tax tariffs currently imposed on its steel and other exports imported from China. China should negotiate for the removal of the high tariffs that have been imposed on Chinese products in exchange for its flexibility to release the needed information about the Chinese firms that have been accused of espionage <sup>42</sup>. This policy proposal would be effective in addressing the strained bilateral relationships

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<sup>42</sup> Walt, Stephen. Everyone Misunderstands the Reason for the U.S.-China Cold War, 2020. Available at/: <https://foreignpolicy.com/2020/06/30/china-united-states-new-cold-war-foreign-policy/>

between the two countries. Besides, this policy proposal is effective because it addresses the two primary concerns of security for the USA, and economic challenges for China.

## **2.0 Analysis of the Pros of US-China Policy Proposal**

### **2.1 Effectiveness**

Policy effectiveness is a critical component, for it affects realizing the goals and objectives or restoring the bilateral relationship between two conflicting countries. An effective policy proposal would maximally restore bilateral relationships and enhance good relationships between conflicting nations. This means that the policy formulation process needs consideration of the policy's alignment to repair the weak relationship between the said countries. For the US and China, the proposed policy's effectiveness should lead the two large global economies to restore the close ties that have been weakened.

There is a high level of effectiveness of this policy proposal, which advocates for China to allow the US to investigate the accused Chinese firms for espionage in exchange for the withdrawal of the tax tariffs imposed on its steel exports to the United States. This policy proposal is significant on account that it directly addresses the major concerns of the two nations. Implementing this policy will ensure that US security concerns are fixed and Chinese business interests are addressed<sup>43</sup>. The outcome of the policy will not only be peace but also, close business ties and interactions.

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<sup>43</sup> Mitta, Rana, 2019. Financial Times, Available at;  
<https://www.ft.com/content/571603da-8233-11e9-a7f0-77d3101896ec>

In regards to effectiveness, the proposal for China to release the needed information about the accused Chinese firms to the USA in exchange for US lifting the current high tariff (25%) imposed on Chinese steel exports works best for both parties. This strategy is effective in the sense that it would promote a trade balance between the US and China. Increased import of steel from China to USA and promise of protection of USA intelligence information will facilitate a better trade deal. Through clearing its name from the accusations of espionage, China will secure the interests of the USA, as well as, its trade interests with the USA.

Lastly, the policy proposal for China to negotiate for reduced tariffs and the return of its operation in the US in exchange for releasing the needed information is effective for it addresses the primary concerns of both countries. The two countries have economic and security concerns that would define how they engage in the future. The development of such a policy would be effective in the sense that it would promote peace, but create good working conditions with China. The restoration of the normal business environment without the high tariffs is a critical need for China and, and this could be offset by it clearing its name from the accusations of espionage.

## **2.2 Efficiency**

Another significant advantage of the US-China policy proposal is its high level of efficiency. Efficiency is a critical component of policy development. In this regard, the process of policy implementation should have a lower cost as compared to the outcomes of the policy. Efficiency measures the costs of implementing the policy as compared to the expected outcomes of the policy. An efficient policy proposal should



have minimal cost and lead to maximum gains to the countries in conflict. On this basis, efficiency is critical in the assessment of the pros of the given policy proposal to resolve the bilateral conflicts between the United States and China.

There is a high level of efficiency in the first policy proposal. This policy proposal argues for China to allow the US to have access to critical data on Chinese firms that have been accused of espionage, a process that should be done in exchange for the withdrawal of the high tax tariff that has been imposed on Chinese steel exports to the US. This policy is efficient in the sense that China will not meet any costs in providing data that the US needs for the purposes of clearing its name from the said accusations of espionage<sup>44</sup>. Besides, there is no cost of taking down the high tariffs imposed. The latter will only need Trump's administration to lift the high current tariff plan.

The policy on Chinese to commit to release the needed data to clear its name from espionage accusations in exchange for the lifting of the tariffs, and relaxed restrictions on trade meets the efficiency standard. This policy proposal is efficient in the sense that China will not lose anything for releasing the information that the US needs, for this will lead to reduced tariffs on its steel exports. Reduced tariffs on its steel exports will make Chinese steel experience a high demand in the US, and this would give the economy an advantage over other exporters of steel to the United States. Again, this policy doesn't cost much for the two economies.

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<sup>44</sup> Walt, Stephen. Everyone Misunderstands the Reason for the U.S.-China Cold War, 2020. Available at/: <https://foreignpolicy.com/2020/06/30/china-united-states-new-cold-war-foreign-policy/>

Lastly, the proposal for China to negotiate for reduced tax tariffs and the operation of their local interests in the US in exchange for release in the needed documents that would clear its name from espionage accusations is efficient. This policy is efficient in the sense that China will have its operations in the US return to normalcy for the benefit of its people in the US and China. Moreover, this policy proposal would lead Chinese businesses shielded from the potential losses as a result of the high tariffs that could minimize the demand for products from China. Both countries do not have a high cost to implement this policy proposal.

Equality is a major factor when it comes to assessing the quality of policy proposals. The proposed US-China policy proposals have been structured in ways to enhance equality between the two countries that have been affected. Both United States and China needs to feel that the policy proposal is equally applied and is not biased on one party over the other<sup>45</sup>. Also, the policy needs to offer equal benefits to both countries involved in the negotiation to return their bilateral relations to normalcy.

## **2.3 Equality**

Equality is present in the first policy due to the fact that the policy has captured the top most interests of China and the United States. Chinese people have a major interest on trade with the US considering the high volumes of export they take to America. On the contrary, the top most interest of the United States is state security from external influence. Combining these two top priorities and making one country take one in exchange for the other reflects equality.

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<sup>45</sup> Ventura, Ponzetto. *A Theory of Economic Unions*. London: Routledge. 2019.

Moreover, equality is seen in the second policy proposal where China should commit to release the needed information by the United States in exchange for the lifting of the currently 25% tariffs on Chinese steel exports. In this context, equality is achieved through addressing the economic and security issues between these two economies. Also, this policy proposal makes clear that the United States will secure its interests in security and intelligence, as China makes more money after the tariffs are lifted.

Lastly, equality is achieved in the policy proposal involving the Chinese offer for the goodwill to release the needed information about the Chinese companies that have been accused of espionage; in exchange for the return of reduction in the tax tariffs. Equality is seen in this policy proposal by the fact that this strategy addresses issues of co-existence and relationship. China wants its economic interests to be addressed on one end. On the other end, the US wants security concerns to be addressed. This policy addresses both issues leading to peace and stability in the relations between China and United States.

## **2.4 Liberty**

Good policy proposals should demonstrate 'liberty' for both countries to come into an agreement and restore their bilateral relations. As a result of conflict, conflicting states are likely to prioritize their sovereignty and liberty to take or reject the policy proposal on the table. In this context, both the United States and China needs to access their liberty and freedom to choose the policies they deem appropriate in restoring their trade and economic relationships, which has deteriorated. Both China and USA

have the liberty to enter or reject the call to enter into a bilateral agreement that would address the outlined conflict<sup>46</sup>.

The US-China policy proposal that has been offered is articulate on the liberty and free choices that both United States and China have to make. For instance, the proposed policy indicates the commitment for China to allow the US to investigate the accused Chinese firms for espionage. This comes out as an offer to the United States, which is readily available if the United State chooses to withdraw the high tax tariffs imposed on Chinese steel exports to the United States. The offer has been presented to the United States and this means that the US has the liberty to accept or reject the offer given. The US has not been forced to take the offer. Instead, they have the liberty to accept or reject.

The aspect of 'liberty' is similarly depicted in this policy proposal where China has offered to clear its name from espionage accusations from the US in exchange for lifting the currently imposed 25% tariffs on Chinese steel exports to the US. The new offer presents an opportunity for the US to secure its intelligence and security interests to China. This offer means that the US is at liberty to take on the idea. However, its liberty to pick or reject the offers would have consequences on China whose steel products are highly taxed. US has to exercise its liberty to embrace the Chinese offer in exchange for the demand for reduced Chinese steel products taxation<sup>47</sup>.

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<sup>46</sup> Ventura, Ponzetto. A Theory of Economic Unions. London: Routledge. 2019.

<sup>47</sup> Sharma, Blomstermo. The internationalization process of born global, a network view. 2003, International business review, 12(6), 739-753.

Lastly, the expression of 'liberty' is depicted in the offer of Chinese to release needed information in exchange for lifting of trade tariffs. Both countries are at liberty to choose peace over war, and economic growth over conflict. Both countries are at liberty to consider the need for peace and stability by taking on decisions that would restore the once good relationship that existed.

## **2.5 Administrative Capacity**

Both Chinese and the United States have a strong administrative capacity to execute the policy proposals that have been recommended. In this regard, the United States has the foreign policy council under the current Trumps administration, which will play a major role in the negotiation process. This combined with the commitment of Trump's administration to restore their bilateral relations with China reveals a high capacity. Besides, the US has the economic capabilities to host delegations in China and the United States to address the key issues that have escalated the conflicts. The US federal government has enormous administrative capacity comprising of experts, public relations officers, economic analysts, and negotiators who could be engaged in the negotiation process<sup>48</sup>. The high level of administrative capacity in the United States reveal that the US is ready to look into the policy proposals and take on the negotiation process.

In the same manner, China is one of the global large economies whose administrative capacity is not in question. China has heavily invested in building a strong

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<sup>48</sup> Latour, Bruno. "From Realpolitik to Dingpolitik or How to Make Things Public. Cambridge, MA: The MIT Press, 2005.

administrative capacity through the foreign envoys and staff working in its high commissions across the world. China has hosted its consul in Houston and has over time built a strong trade network with the United States. Based on the high administrative capacity in China, the economy will be well represented in the negotiation. The issues at hand are sensitive and both countries will need to present their best teams of negotiators who are well served with the local and international public relations concepts.

## **2.6 Technological Capacity**

One of the strengths of the policy proposal is that it has acknowledged the technology capabilities of both United States and China. Technology is a major factor when it comes to the execution of the US-China policy proposals. In this regard, the policy proposals offered do not require technologies currently not available in the Chinese and USA. The most important technology that would be needed in the process of negotiation is video-conferencing kits, and language translation kits<sup>49</sup>. These two technologies are readily available both in the United States and China. The fact that both countries have a high technological capacity means that the process of policy negotiation is likely to become seamless. Besides, the high technological capacity for production and trade in both countries means that it's possible to restore the trade relations and transactions that happened before the two countries conflicted.

## **2.7 Legality**

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<sup>49</sup> DeLanda, Manuel. *A New Philosophy of Society: Assemblage Theory and Social Complexity*. London: Continuum, 2006.

The legality of policy proposals is a critical factor to its success. Policy proposals developed to restore bilateral relationships between two countries needs to be considerate to the legal issues presented by both countries. The US-China policy proposal presented meets the legal standards by the fact that it is directed towards creating the goodwill of both parties to restore their bilateral relationship. In this regard, the policy proposal has been presented to the US for consideration, and further negotiation. The proposal has recognized the liberties that the US has to accept or reject the offers, as well as, the outcomes of either decision. The policy proposal does not contain an illegality or has called for actions that are illegal in the eyes of the law.

### **Political Analysis**

The proposed policy of China to the United States involves China's proposal to release data of the accused Chinese firms to the US in exchange for the lifting of the high tariffs on Chinese goods imported into the US. This proposal is based on the need to address the critical concerns of both countries in the current period characterized by increased tension and bad blood between these two economies. The proposal addresses the top concerns of the two nations with the hope that it would lead to the restoration of the once good relationship between the two nations. China and the United States are key players in global affairs with the US being the world's top power, and China coming up as one of the most influential economies in the globe. On this ground, the proposed policy offers a good ground upon which deliberations could be

made leading to the restoration of good relationships between the two economies <sup>50</sup>.

The focus of the policy proposal is not only to restore peace and understanding between the two nations but promote cordial relationships between the two global economies.

This policy proposal is critical for both China and the United States. The United States through its president, Donald Trump has made it clear that it cannot compromise its intelligence and security. The USA has come clear that its domestic and foreign intelligence information would be guarded at all costs. As a result, the Trump administration took on the challenge to develop tough measures to punish China for the alleged espionage attacks on US intelligence. On this basis, the proposal to have China release the information needed by the US on the firms accused of espionage is likely to be an idea that would be welcomed by their counterparts. On the other end, China is rising as a global economic power and needs to trade well with the USA. The USA is a leading importer of items such as steel from China. China makes a great deal of business from selling its items in the USA. The proposal asks the USA to lift the tariffs in exchange for the release of information and China clearing its name from the espionage accusations laid on it.

Key policy stakeholders will look into the policy proposal to make decisions on its appropriateness and application. In China, key stakeholders would have to look at the offer that they are giving to the US and the value of the return in exchange for the proposal given. The policy-making process in China would be critical in the process of

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<sup>50</sup> Lardy, Nicholas. U.S.-China Economic Relations: Implications for U.S. Policy, Wednesday, April 25, 2001. Available at/: <https://www.brookings.edu/testimonies/u-s-china-economic-relations-implications-for-u-s-policy/>



developing and implementing this proposal. Key stakeholders have to be involved in the process of analyzing, verifying, and approving the policy proposal before it is handed to the US policymakers. In China, the policy-making process has been subject to continuing pluralization as a result of China's growing involvement in the international order.

A few of the critical stakeholders in China who will be involved in policy development, review and approval before it's submitted to the USA include the following. First, there is the Communist Party of China (CPC). The CPC has a significant influence on Chinese foreign policy formulation. The CPC has a nine-member Politburo Standing Committee. This committee of the CPC is the ultimate decision-making body in China. This committee meets every 7-10 days <sup>51</sup>. Their deliberations aren't published. Their main role is to offer the final approval of the policy that is developed by different Chinese agencies <sup>52</sup>. This proposal will have to be approved by the nine-member committee before being offered to the United States for consideration.

The other critical stakeholder is the State Council. The Chinese State Council is an important policy-making body that is headed by Premier Li KeQiang. The state council constitutes of numerous ministries and offices. This council is critical to the implementation of this policy proposal for it is the highest body in the formal structure of the Chinese Government. Besides, the Chinese Council represents China in state-to-state relations. Currently, it is headed by Dai Bingguo and other CPC officials including ministers of

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<sup>51</sup> Guan, Xin. China's Social Policy, Social Policy and Administration, 2000, 34, 115-130.

<sup>52</sup> Gong, Chen. Explaining the four stages in formulating Chinese policies, 2020. Available at/  
<https://capitalcambodia.com/explaining-the-four-stages-in-formulating-chinese-policies/>

foreign affairs. The state council will play a major role in analyzing the policy proposal and recommending its application<sup>53</sup>. It will be actively involved in sending its delegation for the negotiation of the policy proposal implementation in the US.

The third important stakeholder from the Chinese end who will be involved in the policy implementation of the proposal is the Ministry of Foreign Affairs through the Chinese ambassador to the United States. Even though the CPC is involved in the development of Chinese policy with leading global economies; the ministry of foreign affairs has been delegated with the overall oversight of policy implementation. The Chinese ambassador is a foreign policy actor who is expected to implement and coordinate the efforts to have the policy submitted to the USA and would follow through with the deliberations that are at hand. The Ministry of Foreign Affairs would work with the office of the President<sup>54</sup>. The Chinese President Xi Jinping is likely to support the policy considering the need to restore trade. The president has supported a “dual circulation” strategy by prioritizing domestic consumption. However, he is interested in expanding Chinese influence on the globe.

The policy recommendation from China to the United States will also involve key USA stakeholders in the process. In the United States, the key stakeholders would be the US congress, the US Foreign affairs ministry, the Republican party leaders, and the US President Trump. First, the congress as a law and policy review assembly will be

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<sup>53</sup> U.S. Library of Congress (2020). Foreign Policy Decision Making and Implementation, Available at/: <http://countrystudies.us/china/126.htm>

<sup>54</sup> Duckett, J. (2003). Bureaucratic Interests and Institutions in the Making of China's Social Policy. *Public Administration Quarterly*, 27, 210-237.

involved in analyzing the policy. The focus and interest of the US congress would be to check on how the policy secures the interests of the United States, especially on security. Special sittings by the committees would be conducted to approve the change. Concerns of the congress would be raised, leading to recommendations that would be submitted to the executive. Congress plays a major role in policy development and change.

Another critical policy stakeholder is the foreign affairs ministry, the US foreign affairs minister, and the US ambassador to China. These offices will be highly involved in the process of studying, analyzing, and offering recommendations on the proposal. The proposal from the Chinese policymakers would be subject to detailed scrutiny to establish the strengths and areas of weakness. The focus of the foreign affairs ministry would be to coordinate the deliberations with their Chinese counterparts. The process of making the deliberations will be critical in ensuring that both parties agree. Besides, President Trump will also check through the policy. The goodwill of the president is likely to add weight to the speed and ease of adopting the policy proposal received from their Chinese counterparts. Washington will be actively involved in perusing the policy proposal before formal delegations would begin to discuss the final changes to be made for the proposal to be implemented. The focus of the deliberations by the cabinet would be to see to it that the policy proposal from the Chinese people addresses the key concerns in regards to the current spoilt bilateral relationships between the two economies.

The focus of the US executive will be to ascertain that its core interests in intelligence and security are adopted<sup>55</sup>. The US government through President Trump has made it clear that they would not compromise US intelligence and security. There is a high likelihood that the executive will look into the proposal from the perspective of how it addresses this interest. At the center of the bad bilateral relationship between the US and China is the issue of security, power, and control. The US is suspicious of their Chinese counterparts. The current accusations on espionage will need to be addressed in a detailed scope for things to be restored to normal. The US Congress has a keen interest in the homeland and global security of the United States. The expectations of the congress on the executive is to ensure that security and intelligence issues raised are addressed. On the other end, the ministry of foreign affairs would be looking into ways to mend the bad bilateral relationship during and after the proposed policy has been amended and adopted.

The likely traditional allies to this policy proposal would be the US ministry of foreign affairs, and the ministry of trade. The focus of the ministers in the deliberations would be to find means to restore the bad bilateral relationship that currently persists between the two countries. On the contrary, the ministry of defense is likely to raise key issues against the policy proposal. This ministry's officials would need to ascertain that the information that is released by their Chinese counterparts are accurate and could be authenticated. The defense ministry is likely to raise skepticism on the policy based on

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<sup>55</sup> Tao, Wenzhao. *The US Policy Making Process for Post-Cold War China: The role of US Think Tanks and Diplomacy*. New York: Sage. 2017. Print.

the trustworthiness of the information that China has committed to sending. The latter would need key experts to be involved in the process of authenticating the said information that is released to the public domain. The latter would happen even as the US looks to bring things back to normal for the sake of restoring a good bilateral understanding between the two economies.

The US public is skeptical about the issue of high tariffs imposed by the US on China. A larger percentage of Americans are of the view that the US should not use tariffs as a way to punish China or any other country<sup>56</sup>. The United States should consider other non-economic protocols to deal with the conflict with China as opposed to the use of trade measures. The latter comes amidst the finding that the tariffs have a major impact on the pricing of the items from China. The cost of the high tariffs is likely to be transferred to the innocent importers and finally to the US business people who have to import products at a higher rate. These concerns will shape the policy development process as the government finds ways to address innocent people who have suffered as a result of the high trade tariffs on Chinese imports into the United States.

Given the said benefits of the proposal in leading to peace and harmony; policymakers, especially the US policymakers will need to consider the costs involved in the process. The key costs involved in the process would be the need for the US to

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<sup>56</sup> Churchill, Owen. Americans disapprove of Donald Trump's use of tariffs in trade war, CNBC All-America Economic Survey finds, 2020. Available at: <https://www.scmp.com/news/china/diplomacy/article/3012699/americans-disapprove-donald-trumps-use-tariffs-trade-war-cnbc>

develop trust, and Chinese policymakers to accept a few compromises in the development of the final policy. There is no doubt that US policymakers are likely to demand more. There is a high likelihood that the US would demand China to commit itself not to interfere only with the intelligence and security of the USA, but also, to minimize conflict with other nations in the China-South Sea.

In conclusion, the possible political strategies that would need to be deployed is the development of compromises and collaboration in policymaking. Both compromise and collaboration would be needed by the policymakers from the United States and China. Policymaking and implementation is a process. The process will involve policymakers from both ends making compromises on their demands. Also, the process of policymaking would need the policy actors involved in the negotiation to develop trust. Trust is a major currency when it comes to fruitful policy negotiations. The implementation of these tactics will go a long way in leading to the successful implementation of the policy proposal leading to improved bilateral relationships between China and the United States.

### **Recommendation**

The policy proposal for China to allow US to conduct espionage investigation into the accused Chinese organization's firm would provide an opportunity for the establishment of trust. In the past, Iran gained approval for the development of a nuclear program by states within the G-7 alliance summit. Iran has had an ambition to possess nuclear power since the 1950s but has experienced nuclear sanctions and restrictions from EU states and the US in regards to the safety and intention of its

nuclear program <sup>57</sup>. In 2015, after negotiations, Iran managed to reach a nuclear deal that limited its potential to make weapons but achieved nuclear power access. The decision of Iran to open up its metrics for investigation provided an opportunity for the development of trust between the Iran and other countries and this led to progress in the nuclear deal <sup>58</sup>. In the year 2015, Iran achieved significant progress in the adoption of Joint Comprehensive Plan of Action (JCPOA) which was reached as a result of political compromise from the participating states <sup>59</sup>. On the international setting, it is important for countries to retain a state of diplomacy and advocacy to achieve deals that are mutually benefiting.

Similarly, the Chinese authorities and the US can seek independent investigators to determine the legitimacy of the espionage claims. Espionage is a crime that puts the national security of a nation at risk and the Chinese authorities ought to support investigation of these claims. If china works with the US to determine the legitimacy of these claims, there is a high likelihood that a good relationship from the two states would develop after a relationship of trust has been established. China and US being competing global economies and military powers are bound to be suspicious of their respective state intentions having different economic ideologies.

Another important aspect that confirms the feasibility of success on the policy of pro-Chinese and American cooperation is the US relationship with Libya. Libya is a

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<sup>57</sup> NTI,Iran, Building a safer World. Retrieved from <https://www.nti.org/learn/countries/iran/nuclear/> (2020)

<sup>58</sup> ibid

<sup>59</sup> ibid

country that has experienced sanctions from the US and the UK since the declaration of International Emergency Economic Powers Act (IEEPA) in 1986. Libya was accused of developing weapons of mass destruction and requested to open up to investigations of international community in regards to their nuclear program. The refusal by the Gaddafi government saw Libya face economic sanctions unless the government accepted to end its nuclear program and open its borders for investigations <sup>60</sup>. The International Atomic Energy Agency (IAEA) accused Libya of developing weapons of mass destruction.

After negotiations after the exit of Gaddafi, Libya opened up sections of its nuclear program to IAEA and this led to the relaxation of some of its sanctions and this is bound to improve economic progress. Despite the fact that Libya is yet to find its footing since Gaddafi exit, the decision of the country to establish diplomatic relationships is important to influencing a change in its political trajectory internationally <sup>61</sup>. Libya has the potential to achieve stability and support from the international community is integral in helping achieve this stability. The importance of diplomatic relationships and supportive investigation is reflected in the engagements of the US with Iran and Libya<sup>62</sup>. There is great potential for the US to lift the 25% business tariff on some Chinese products if there is an establishment of a relationship of trust and reliability.

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<sup>60</sup> Kerr, p .Arms Control Association. U.S. Lifts Remaining Economic Sanctions Against Libya. Retrieved from <https://www.armscontrol.org/act/2004-10/us-lifts-remaining-economic-sanctions-against-libya> (2020)

<sup>61</sup> ibid

<sup>62</sup> ibid



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